

# Dog trainer offers tips on strike control

by Spiru Zavos

ONE of the few pleasures from listening to the radio in Sydney comes at 8.35 each week day morning on the hard-rock station 2JJ. At that time a certain Mr Fred Dagg pontificates for five minutes about anything and everything.

A couple of days ago this disreputable agricultural person began his musings with a quote from the Federal Minister of Industrial Relations, Mr Street, to the effect that "people who won't work, won't get paid."

Street was referring to a strike in the Redfern Exchange of Australia Post. This was an interesting remark, Dagg commented, because it was a direct steal from a book on dog training published by an Edith Simpson in 1947.

Simpson said that a dog that won't work, won't get fed. But it was the same sort of inference as Street's.

That lady went on to say that if the dog proved to be recalcitrant and was female, it should be spayed. If it was a



THE AUSTRALIANS

male then... the modest Fred Dagg didn't elaborate.

He then went on to point out that having adopted one of Simpson's remedies, Street might well consider her other suggestions.

Given the impotence of the Federal Government in stopping strikes, Street may as well threaten Simpson's cutting suggestions.

Over the last month or so there has been a rash of strikes. They have occurred against a backdrop of real

improvement in the economy. Perhaps this is the reason for the strikes, the unions are seeing companies producing record profits and want to share in the goodies.

The other day, the workers in the paint-manufacturing industry went back to work after being out for two months. This strike had repercussions in the car industry, where several thousand workers were laid off.

There have been running strikes at Australia Post and this has disrupted service to such an extent that many businesses are going to the private enterprise operations to ensure mail delivery.

The irony here is that the Federal Government has divested itself of an authority over Australia Post, and has chartered it into a commission with the instructions to make the operation profitable by private enterprise methods.

Finally, there has been a truckie strike.

The truckie strike is the one that has grabbed the public's

attention. The truckies only nominally belong to a union. For practical purposes they are private enterprise operators who took the unusual action of withdrawing their labour.

They went further than that, of course, and laid siege, by blocking the main roads, to all the capitalists in the Commonwealth.

The strike started with just six drivers pulling their trucks on to the side of the road at Razorback Hill, out of Sydney. They broadcast the fact that they intended to stay there until they got what they considered justice for their profession over their CU radios.

Within hours there were some hundred trucks at Razorback and then the revolt caught fire and trucks set up blockades all over the nation.

Their demands were for an abolition of the road tax, an increase in the allowable tonnage to be carried, better freight rates and a moratorium on repayments for their giant trucks.

The fact of the matter was that it was the truckies themselves who had put in the situation where they felt they had to blockade the cities to get action on their demands. Simply, there are too many trucks chasing too little work. Thus the big freighters have been able to exploit the situation by giving work to the lowest bidders.

But this consideration did not deter the truckies from standing over the nation and its politicians. There were urgent meetings, the NSW Labour Government, notably sympathetic to militant unionists, passed draconian urgent legislation which was so stiff they were afraid to put it into operation; and the Federal Government threatened to bring in the army.

Those who believe that Malcolm Fraser is not a brilliant politician should reconsider this after Fraser's handling of his side of the dispute.

He criticised Wran's harsh legislation and said that the premier should have talked to the truckies before shaking his fist at them.

Then when the dispute lingered on and threatened the Easter holiday traffic, he

made it clear the army would be called in if asked to. He phrased this very clearly by saying, "The army will be called in if asked to. The army will be called in if asked to. The army will be called in if asked to."

Fraser clearly was a political winner from the dispute. The truckies were other winners.

A loser was the politician Neville Wran, who lost his ability to dance to his own tune.

Wran treated the truckie issue harshly and militant unionists like the truckies in Port Kembla, over the past three months have lost millions of dollars to Japan by their work tactics.

The question is, how many truckies dispute as to whether it has set a precedent for bloody-mindedness in a

ly has the Wran administration perhaps to change its mind. Militant unionists still seem the way to treat militant operators.

## Nuclear accident sends uranium shares for dive

Melbourne Correspondent

THE United States nuclear crisis at Three Mile Island has caused the value of Australian uranium mining shares to fall by millions of dollars on local stock exchanges, reflecting investors' doubts on the future of the Australian uranium mining industry.

The metals and minerals share index of the Melbourne stock exchange dropped 12 points to 612.20, as sellers for outnumbered buyers for the shares of such major mining companies as: Punc-entennial, Kathleen Investments, Peko-Wallaseid, E.Z. Industries, and Western Mining.

The United States nuclear accident has occurred at a time when some of the major Australian uranium projects were poised to start mining after years of debate and inquiry into its safety.

For investors in Australian uranium stocks these years of uncertainty were largely brought to an end by the findings of Australia's Fox Commission of inquiry into uranium mining in the Northern Territory. Its major findings were that the hazards of mining, and milling uranium, and the operation of nuclear power reactors, if properly controlled and regulated, were not such as to justify a ban on Australian uranium mining. The Fox Commission's findings were interpreted by many as an "amber" light to proceed with caution.

The Australian Government, however, rejected the Fox recommendation of controlled introduction. It approved full-scale mining and export of the nation's uranium, reported to be about one fifth of the Western world's known reserves, with an estimated value of \$A 20,000 million. Nonetheless, there remained within the Australian community and trade union movement, a growing concern with the possible dangers of uranium mining, and nuclear reactors. The fall in uranium mining shares indicates a fear among investors that the

Three Mile Island nuclear accident has caused the value of Australian uranium mining shares to fall by millions of dollars on local stock exchanges, reflecting investors' doubts on the future of the Australian uranium mining industry.

In a depressed economy, some trade unionists are turning to uranium as a source of income who appear to be as militant and aggressive as the uranium industry.

Several hundred Moslem butchers would also be needed giving the Immigration Department a new problem in

Certification from the New Zealand Moslem community would further add to costs, estimates range up to 10 cents a carcass.

President of the Federation

has been made, according to the corporation.

Spokesman Robin Goods says Toka's technical problems are no worse than those encountered by the Shell-BP-Todd and other multi-national drilling teams in the Taranaki area.

Daily drilling reports filed on other wells do show that "flashing" operations are not uncommon.

But Petrocorp has been having problems with its drilling rig, which was bought by an interdepartmental Government committee from Singapore. Petrocorp lawyers have been asked to prepare a compensation claim against the vendors.

Petrocorp admits there were problems with the electrical equipment as a result of being stored in tropical conditions. A main bearing was also incorrectly assembled causing a breakdown not long after the rig went into operation last October.

The rig, costing about \$4.5 million, is understood to have been used on two or three occasions in Indonesia before lying idle for some time.

Petrocorp has been criticised long and often in its

## Meat exporters resist costly Islamic crusade

by John Draper and Warren Berryman

AN Islamic crusade spearheaded by Iran is threatening New Zealand's meat exports to the Middle East.

Already meat exporters have rejected orders worth \$45 million rather than yield.

But across the Tasman, Australian meat exporters have given way. They are now forced to pay up to 10 cents a carcass for Moslem certification.

At present, meat destined for the Middle East, is certified as being killed in a manner similar to that required by Islam.

Strict halal slaughter, as defined by the Koran, requires an animal to bleed to death while a Moslem butcher recites a prayer.

Some works do employ a few Moslem butchers to fulfill small and specific orders. But the freezing companies claim slaughtering in the halal method would slow down chain speeds and cause industrial wastes.

Several hundred Moslem butchers would also be needed giving the Immigration Department a new problem in

Certification from the New Zealand Moslem community would further add to costs, estimates range up to 10 cents a carcass.

President of the Federation

of Islamic Societies and director of the New Zealand Middle East Export Company, Mahzar Krasniqi, has been pushing for the last four years for orthodox halal killing in local works.

Krasniqi proposes that the New Zealand Moslem community provide the halal slaughtermen and the federation certify the meat for export to Islamic nations.

Already, he claims, the Meat Exporters' Council has rejected orders from the new regime in Iran for 10,000 tonnes of lamb worth nearly \$14 million.

Before Ayatollah Khomeini's Islamic revolution swept the Shah from power, Iran was New Zealand's second largest lamb market taking 27,000 tonnes last year.

The new Government insists all meat must now be killed in the orthodox halal manner.

Meat Exporters Council sources gave two reasons for rebuffing Krasniqi. Firstly, they did not want to prejudice future orders to Iran with a pre-judgmental delivery before an Iranian delegation, leaving the country this week, had inspected freezing works.

And secondly, they have

been alarmed by the Moslem success in Australia and have no intention of being held to ransom over export certificates.

Certification for Iran could cost freezing companies, and ultimately farmers, \$300,000 a year alone. Exports to Saudi Arabia and Iraq are also growing.

Against the cost has to be weighed the personal contact factor, very important to Middle East sales.

Krasniqi does have the contacts, though he insists his business and religious activities are separate.

He was the New Zealand delegate to the recent Moslem League conference in Mecca and contacts made there could certainly open doors to trade particularly in the current climate of Islamic revival.

Freezing companies are prepared to surrender the certification work to an independent authority, but not to Krasniqi for the local Moslem community.

The Government, the Meat Board and even the Iranian Government would be acceptable, sources say.

Krasniqi claims the cost need not be as high as the industry fears. One

works could be designed for halal slaughter if export orders for Islamic countries were pooled.

He has a file of orders from Islamic countries, which he says, totals \$45 million, enough to make a halal freezing works a viable proposition.

His company, though small, has arranged sales of New Zealand mutton, honey, eggs and dairy produce in the Middle East since 1974.

Krasniqi has also assisted in negotiating a multi-million dollar contract with a Middle Eastern Government, a major New Zealand contractor and one of the producer boards.

Recently, he claims, New Zealand missed out on an opportunity to boost meat sales to Saudi Arabia when a visiting delegation was refused permission to visit a freezing works.

The delegation, led by Professor Omer Ouda El Khatib, chief of the Islamic Culture Department of Riyadh University, was in Auckland last October.

Foreign Affairs account of the visit differs from Krasniqi's. A spokesman said the 12-man delegation consisted of post-graduate students visiting the Moslem community in Auckland.

While here, they requested permission to visit a freezing works but the delegation was not recognised as official and left before arrangements could be made.

### Inside:

CLOSE inspection of the operations of the Abortion Supervisory Committee shows it is intruding on the medical profession's internal arrangements to maintain professional standards. And Bob Edlin warns against the precedent of law being interpreted by administrative committees. — Page 12.

NEW ZEALAND is footling a half billion dollar bill for meat power planning in the 1980s. — Page 13.

DON'T look for radical changes in the FOL with the election of Jim Knox as president says Colin James. — Pages 14-15.

WAYNE Coffey's attack on economists could have been a glumie by a publicly-seeking lobbyist, says our Economics Correspondent. — Page 19.

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# Doubt rests on FOL ability to develop strategy

by Colin James

THE OLD master was still doing it right to the end. Dramatic night visits to Parliament Buildings to pull the travel allowance fat out of the fire. A lunchtime agreement for the deregistered boiler-makers to finish off the Wellington container crane.

Sir Tom Skinner was the star turn at what should have been Jim Knox's victory conference of the Federation of Labour. Rabbits — or were they fish full of hooks? — were coming out of hats at such a rate, one could have been forgiven for expecting a dramatic resolution of the Mangers bridge dispute.

It was in the Skinner tradition: stamping out brush fires that might not have started if fire breaks had been made a while back.

The unions involved have known officially for a year or more that tax-free travel allowances were going to be reviewed.

There was therefore time for the FOL to develop a strategy to handle it: to do the background research, promote wide discussion among affiliates, appeal to the Government for intervention, co-ordinate the unions' response if the axe fell nonetheless.

Instead, the FOL stumbled into realisation of the issue's importance only because the airport workers themselves refused, on the ground that a principle was involved, a deal negotiated by their national officials.

Consequently, far from taking the initiative on the matter — at the most basic level, one could argue that travel allowances are no different in essence from the valuable untaxed free company car — the FOL was forced into a desperate rescue measure to stop the whole movement getting embroiled in a fight with the Government.

That has been the way. The Federation of Labour has over recent years become the poor relation in industrial relations: reacting to others' initiatives, instead of developing initiatives to which employers and the Government had to respond.

Even in its general wage order application last year, the FOL was upstaged by the well-researched, well-argued Combined State Service Organisation's case.

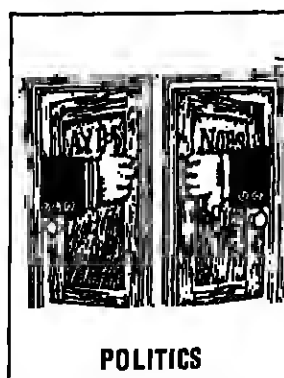
There was a good example of the FOL's tactical inferiority last year when the Employers' Federation initiated a co-ordinated campaign for two-year awards.

The unions were divided on how to respond. Jim Boomer's engineers bought one, but Tony Nesry's electricians came within an ace of a strike to force the refusal of one.

When Nesry asked Skinner to get the FOL executive to draw up guidelines for unions, Skinner ducked it.

The conference last week eventually did something about it by sending off to the executive an electricians' remit on the subject. The remit wanted indexed wage movements during the award term and a minimum "living wage" for all workers.

More serious than the two-year awards issue has been the



POLITICS

failure of the Federation of Labour to seize the initiative in the current Government policy vacuum.

While Skinner has been basking in the glory of getting voluntary unionism ballots modified, the Employers' Federation has been feeding ideas up to the Government for radical changes to the industrial relations system.

Basically, the employers want a Swedish-type system of annual wage-fixing within guidelines fixed by discussion between the Employers' Federation and the Federation of Labour on the basis of the country's economic health, with the Government acting as policeman in reserve if things get out of hand. (See NBR, February 14, page 15.)

Labour Minister Jim Bolger toiled in his bit in the middle of the FOL conference from the safe distance of Auckland, when he warned unions they were going to have to change.

It is not my purpose here to analyse the employers' proposals or the Government's gropings toward yet another (probably half-baked) industrial relations policy. My point is that any new policy, if it is to work, will need the positive acquiescence of the unions, a simple lesson that has been learnt by governments throughout the western world.

Acquiescence would have been a great deal more likely if the union movement had been feeding ideas into the debate than, as will probably be the case, confining itself to throwing bricks at others' ideas and hastily stitching together alternatives after the event.

There was some recognition of this at the conference. Between them, the Auckland Trades Council, the northern drivers and the harbour board employees got:

- approval for an FOL pamphlet publicising its economic, industrial and economic policies and first moves towards an education programme in schools and the unions themselves and a media campaign;

- approval to investigate sharing research effort with state service unions;
- commitment to a conference of union representatives to consider guidelines for negotiations in the next wage round;

- some movement on the need for the FOL to produce suggested changes to industrial legislation.

Even the executive, faced with what most unionists feel is the inevitable demise of the general wage order system, endorsed a minimum "living wage" proposal under which no award rate would fall below the minimum necessary to

give a one-income family a decent standard of living.

The question is, will the new guard pick up these balls and run with them?

Doubts that a Knox-led FOL would do so provided part of the impetus for Neary's challenge for the presidency.

Neary, the right-wing loner, was an unlikely candidate and in the event the machine ensured his challenge never became serious. Wes Cameron withdrew and waverers among the clerical workers eventually decided getting their secretary, John Slater, on to the executive (and on the way to a bright future?) was more important than flitting with outsiders for president.

Neary's candidacy also served another purpose: it forced the election for secretary off the conference floor and into the quiet of union offices through a postal ballot.

The object: to keep SUP member Ken Douglas, of the drivers, out of the job. Douglas is widely acknowledged to be the most skillful and hard-working of the

FOL executive members. Judged by his trade union credentials alone, most unionists I have spoken to rate him the best choice of secretary.

The "red" tag is what makes the difference. But there are signs this is less of a hindrance than it used to be. His conduct on the Wellington Trades Council, of which he is secretary, and the FOL executive has persuaded many that he is a unionist first and an SUP member second, rather than the other way round.

And many of the growing number of younger officials and conference delegates — a lot of them with what might be called "new left" (non-communist) backgrounds — are less concerned with the old right-left divisions.

There were therefore real fears among the disorganised right-wingers that a tide of unity created by an unopposed (left-supported) Knox cakewalk into the presidency might have carried Douglas in with it.

As it is, the prevailing wisdom at the conference gave him a good chance of winning even the postal ballot, especially since there were an obvious strong right-wing candidates offering last week. Such a prevailing wisdom provoked both the Prime Minister and the acting Labour Party leader, Bob Tizard, into anti SUP outbursts last week.

Tizard's was symptomatic of the party's understandable concern not to be seen in cahoots with anyone from the SUP, however legitimate the relationship might be in an organisational sense. A Joint Council of Labour containing Douglas would be highly embarrassing to the party.

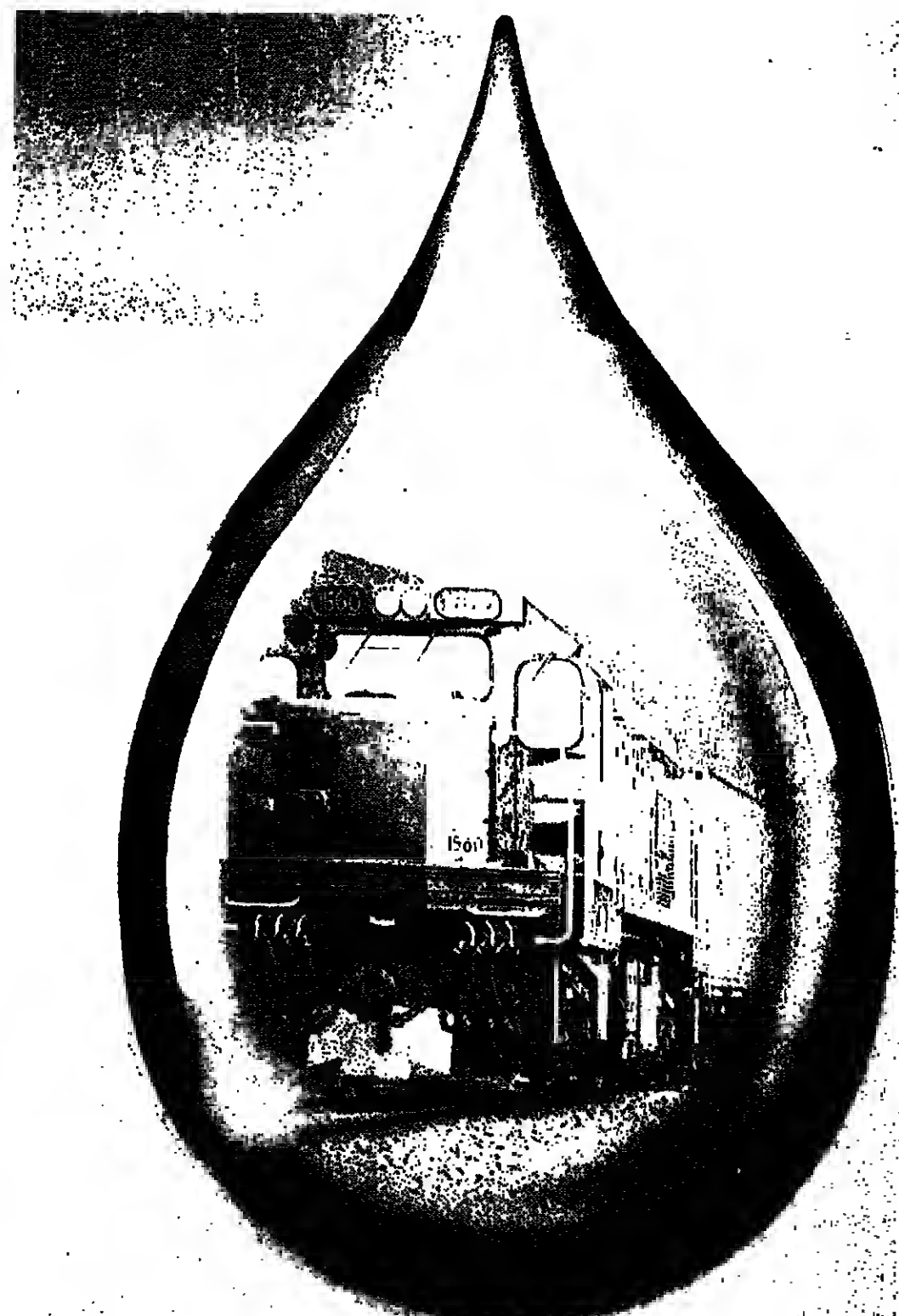
The Prime Minister's outburst was a return of his favourite nightmare: a SUP conspiracy reaching into the heart of the union movement. Since he had to give up on ballots, the Prime Minister has been throwing hand grenades at the unions with some abandon. Threats of wage controls and

deregistration have been falling lightly from his lips. Skinner was adept at the grenade safety test way before they became a danger of one going the other way.

And the Government, like nothing better than go off under an SUP wave. Whether the Government will get its target of 10 per cent unemployment by 1985 is still a matter for debate.

But the government's still be there and the minister will be gone. One delegate, who forecast in private that he would return to the union movement of the early 1980s.

He may have been a bit apocalyptic, but as he himself acknowledges, this issue, the next few years are going to be difficult. An undertow of anger and unity permeated the conference. Is Knox's capitalise on it?



# Fuel saving target wrangles raise public ire

CONFUSION continues to surround the Government's petrol conservation scheme and public criticism is mounting.

Long wrangles over what the targets were for the various sectors, followed by public arguments about the proper way to measure the true extent of petrol savings have done little to enhance the credibility of the Government's earliest "crisis" statement on the issue.

In late February, the Government — particularly Energy Minister Bill Birch — was saying the country was over a barrel, the Arabs had us by the throat and the flow of oil was down to a trickle.

Even now, television advertisements show an oil tanker sailing to New Zealand with the word "cancelled" blazoned over it.

But who seriously argues that the present policy of the Government is a response to a supply crisis?

Right from the start, most members of the Demand Restraint Advisory Committee and its three sector sub-

committees mirrored the widespread (although not universal) public belief that the "crisis" had more to do with the Government's problems with balance of payments and the internal deficit than with the ability of oil companies to supply this country with oil, or the willingness of consumers to pay the higher prices involved.

In the 10 weeks since petrol conservation measures were first introduced, the tone of the "crisis" talk has shifted fundamentally.

Several industry leaders have frankly told NBR they do not understand what the Government is playing at, and in the present situation, who is manipulating whom or for what purpose.

On top of that is the unresolved debate (raised in NBR several times in recent weeks) of just how much fuel oil, particularly petrol is actually being saved.

NBR obtained the following figures to illustrate the point that different measurements give not only different results but also cover up a number of

otherwise hidden activities. The Motor Trade Association is surveying 101 stations each week. These surveys show impressive savings being made by the motorists.

Initially, Birch was happy to quote these as evidence of the success of the Government's campaign for voluntary savings.

Later he was more cautious, reserving his final position until results of oil company surveys became known. When these showed a less impressive drop in consumption, Birch switched again to relying on figures of off-take from ports as the definitive figures.

Those figures show an inconsistent pattern of saving, and hide in them the amounts bought up by petrol users other than service stations. Hence the bitter accusations from the Motor Trade Association that farmers and industry were hoarding petrol against a rainy day and doing so at the expense of both the service stations and their customers, and the country itself.

WEEK BEGINNING	MTA SURVEY	Oil company survey	Port off take
26 February	+5.22	+8	+19
5 March	-15.44	-7	+8
12 March	-18.30	-10	-3
19 March	-22.80	-14	-7
26 March	-17.98	-11	-5
2 April	-20.91	-	+4
9 April	-8.83	-	-13

On Motor Trade Association figures the average saving for the seven weeks mentioned is just under 14 per cent and 18 per cent if the first week of the weekend sales ban is ignored. But the average for the port off-take figures for the same period is not a saving, but a slight increase of just over 0.5 per cent.

All figures are compared with a base week beginning February 19.

A more interesting picture emerges by comparing just the first five weeks of the campaign for which figures collected by all three measures are available.

The average saving on the figures collected by service stations is still an impressive 14 per cent; it drops to 8.6 per

cent on the oil companies figures, and looking at port off take, petrol sales were actually up by 2.6 per cent.

Again the point must be made, if the motorists are saving who is doing the buying that is boosting the port off-take figures?

Even leaving aside the first week's figures on the basis that this time was spent getting used to the conservation measures — and there is a common sense argument to support that — the overall picture does not change much.

Motorist would then have saved over 16 per cent per week on average for those four weeks, on service station figures, 11 per cent on oil company figures, and the port off-take shows a very modest drop of 1.5 per cent.

At the same time as everyone has been urging the motorists to do his/her bit, and arguing over the proper way of measuring that saving, it seems little attention has been given to trying to measure what the industrial and transport sectors have been doing.

## Urinals gate crash champagne chorus

by Warren Berryman

CLUB Mirage, Auckland's newest nightclub, opened the other day to the popping of champagne corks and music by Malcolm McNeil. But the opening was marred by six unwanted guests who left two new urinals lying on the floor.

The six were inspectors from central and local Government who had been humming and hawing over the foreign style urinals while the grand opening approached.

The club's owners also operate the Restaurant and their five years' experience there with the typical Kiwi splash the boots style urinal, got them thinking there must be a better way.

So they imported wall-style urinals from Australia. While these urinals find favour overseas as a clean means of containing misdirected messes — they were apparently a new phenomenon for the inspectors — who immediately went into a flap, flipping through their regulations.

This left the club with no urinals on opening night when 150 dinner auld guests

descended on the place. The flap also left the toilet seats unpainted until opening morning.

The various inspectors had the upperhand when the club was still seeking its liquor licence as they had the power to have it refused.

But while the inspectors were busy arguing the merits of splash the boots versus wall style, the club got its licence. And the inspectors gave permission before the second night's business to install the urinals on a three month trial basis.

But that isn't the last of the club's problems. Their licence is for a cabaret — which means live music, not disco. While the club in no way resembles a disco, the owners realise their musicians can't keep up a non-stop eight hour stint from 7.30 to 3 a.m. and want to play recorded music in the breaks. But they fear some bureaucrats, with a hidebound book of regulations in hand, might hear a bar of recorded music, deem the club a disco, and try to close them down for breaching their cabaret licence.

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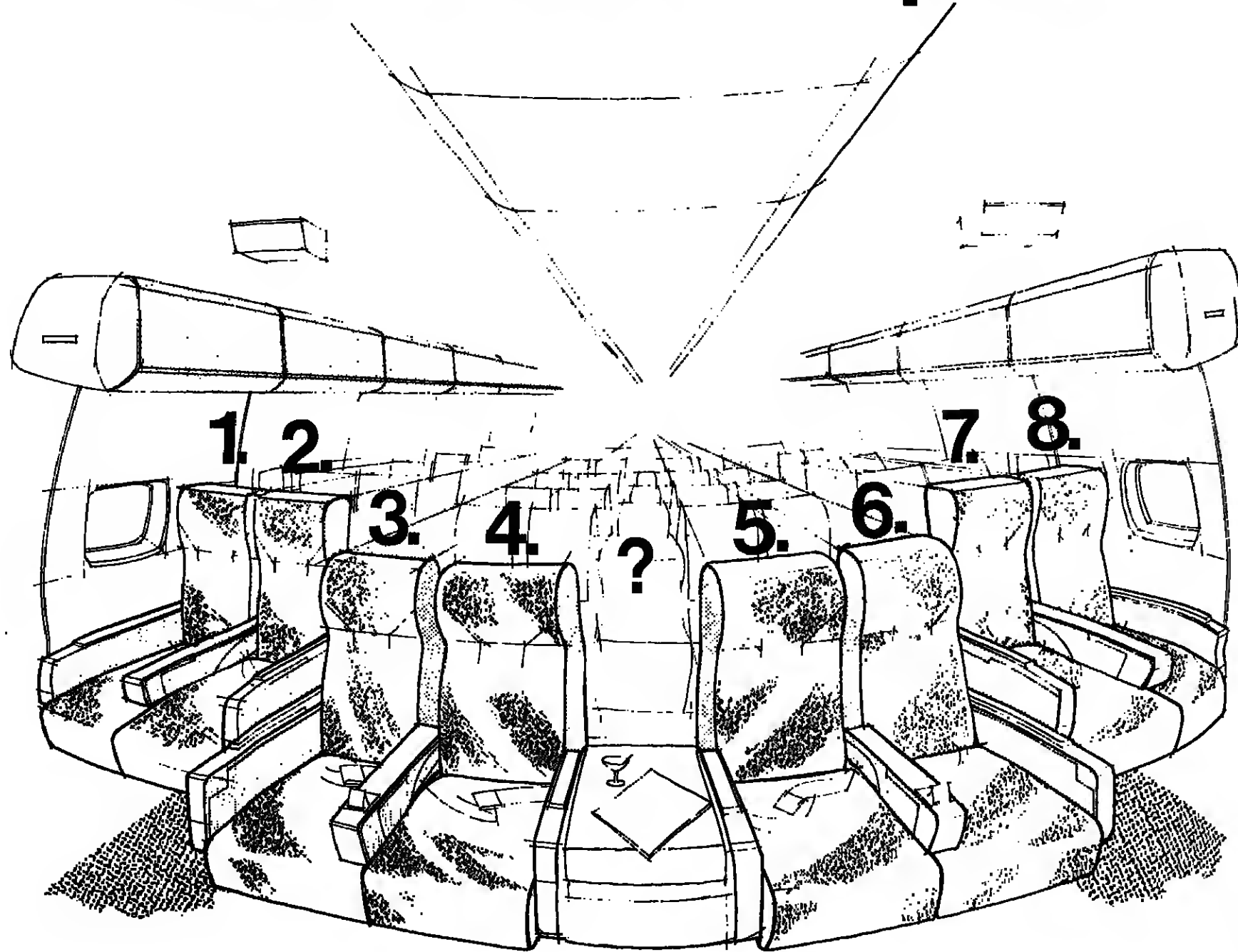
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# A brief lesson in commercial enterprise.



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## Mayor ready to shut airport to win go ahead

by Ree Mazengarb

WELLINGTON'S Mayor Fowler wants to scuttle aging freighters to atop the Cook Strait from washing away a possible future southern airport extension.

He told National Business Review that sunken ships could save a large slice of the estimated \$21.2 million cost of protective work for the extension.

Fowler says he has been looking at both Hong Kong and Singapore to find freighters to be sunk at the end of the runway in 25 metres of water.

The nine-year row over the airport extension has left the mayor bitter.

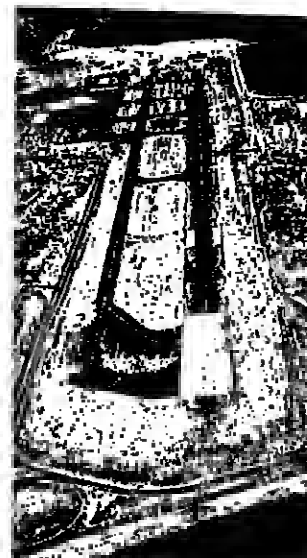
"The Ministry of Works is acting under implied, if not specific instructions to delay the making of a decision," he said.

Fowler said that if the Government stelled again there was nothing the council wouldn't be prepared to do. He would "close the airport, if necessary".

Discussions have dragged on since 1970 and seven reports (including updates) on the feasibility of a longer runway — all favourable — have brought the authorities no closer to a decision one way or another.

Fowler and other interested groups must wait for yet another round of deliberations, for there will be another report.

And this, a joint Government-council attempt, will cost ratepayers and taxpayers \$50,000 to find out if extensions are in the national interest.



WELLINGTON AIRPORT... heads for rack.

At the hub of the row is the use of the wide-bodied DC10s in maintaining the trans-Tasman link.

The capital's business community maintains there is an urgent need for the introduction of a DC10 service through Wellington.

Presently served by the DC8s — at present costing \$4 million more a year to run than the bigger craft — Rongotai provides a woefully inadequate service, according to the trading lobby.

This is because the DC8s — already working to capacity — are unsuited to the air containers which are regarded as critical to the exporters' ability to compete internationally.

Because the containers are interchangeable with all types of wide-bodied craft they

reduce multiple handling, packaging and the damage or pilage of cargo.

But opponents of the extension have argued that the development of Wellington's airport — uniquely sited on a slither of land between the harbour and Cook Strait, in hilly, built-up surroundings — is a costly and dangerous exercise, only to satisfy the parochial interests of a section of Wellington's community which wants to keep up with Auckland and Christchurch.

The argument is history. Opening the airport's new international terminal building in October 1977 Rob Muldoon said: "For as long as I can recall in my knowledge of Wellington the battle for a bigger and better airport has waxed but never waned."

At a time when it was thought a 1500ft extension would be necessary costs were assessed at \$11.5 to \$15.5 million for an extension north and from \$29 to \$42 million for an extension south.

But the Government required "more information on costs and other factors", Muldoon said.

"Accordingly, the Cabinet decided this week to authorise engineering investigations relating to an extension...no expenditure will be incurred until the Minister of Civil Aviation, Mr McLechlan, is satisfied that an extension is, on economic grounds, preferable to the use of trans-Tasman services of aircraft for which no runway extension is necessary."

That was 1977.

Now well into 1979 it seems Government is no closer toward making a decision.

Deputy civil aviation director, Harry Brown, asked for a report on extension plans, admitted: "Not much progress has been made, I'm afraid."

Yet in November last year when McLechlan met with the council on the issue it looked as if the matter was reaching a conclusion.

But then came the decision for a further report at a cost of \$50,000, borne two-thirds by Government and one-third by council.

Wellington consultants W D Scott already have preliminary estimates of cost and their brief will be to quantify the national advantage or otherwise of Wellington as a trans-Tasman link.

"If they showed at this time an extension would be disadvantageous to the national interest, we would accept it," Fowler said.

But he is confident the report will justify the expense of an extension.

Meanwhile, the Ministry of Works is involved in a \$150,000 exercise gathering wave data from buoys sited in Lyall Bay to the south.

Officials say work on construction of a scale model to test wave action will begin in about one month and all that information will be compiled into a report early next year.

No wonder Fowler says: "If the Minister of Works, Bill Young and the Cabinet Expenditure Committee can put something off, they will try."

Fowler believes if a decision is not made soon there will be disastrous implications for Wellington.

Air New Zealand is not prepared to guarantee the retention of the DC8 after 1984, and Fowler says he cannot see a practical alternative to the DC10 replacement.

He says it has the greatest freight-carrying capacity. But from the trade aspect, he believes an extension would help Wellington tap its tourist potential.

Qantas has already indicated its interest in excursion flights through Wellington, provided the airport can meet the demands of the wide-bodied jets.

Ministry of Works capital works programme sets down April 1980 for the beginning of construction on the extension, with work to be completed by April 1984.

Fowler is certain this is to be the last report and that construction will begin as scheduled.

"We would be delighted if a decision to extend is made in December and construction begins as programmed for April 1980," he said.

The key to this report was that it was the first jointly commissioned by council and Government and some cognisance must be taken of the very large expense involved, he said.

Preliminary estimates of the cost of a 700ft extension have just been received from the Ministry of Works.

A northward extension is assessed at \$10.9 million — with the existing roadway.

The equivalent southward extension is estimated at \$26.5 million, though subject "to many aspects of verification".

City engineer Jim McDonald says the large differences in the cost of protective work,

since the southern end is subject to storm conditions. Whereas the cost of protective work at the northern end is only \$3 million, the equivalent to the south is \$21.2 million.

"So if a solution can be found that is cheaper than conventional methods of protecting the south, that end could easily become economic," McDonald said.

The southward extension is favoured despite cost because it shifts the noise level away from built-up areas and there will be little interference with roading and less truck movement over busy roads during construction phases.

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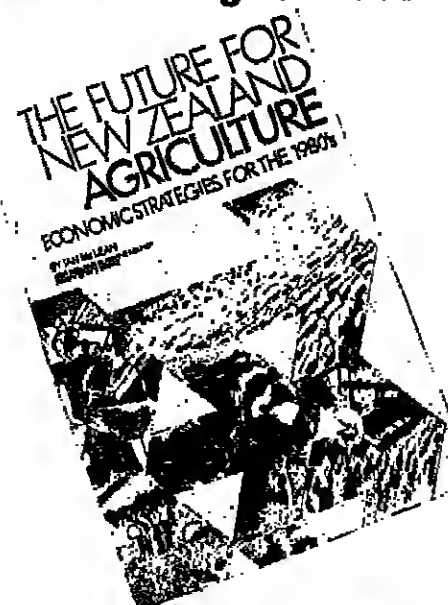
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# NBR BUSINESS WEEK

## Massive AMP share portfolio beats index

by Peter V O'Brien

THE list of company ordinary shares held by the AMP Society at December 31, 1978 carries a warning note: "The composition of this share portfolio is changing continuously and the inclusion or omission of particular companies as at 31 December, 1978, is not indicative of the society's current investment attitude."

The society might have added another note: that shares are bought and sold during the year, so that the holdings in any particular company can have several alterations in 12 months, while the year and figure is still

similar to that of the previous balance date.

Even with those two caveats, examination of the portfolio is interesting, because the society is the country's largest investor in equities in the year, so the assets appear to be recorded at their purchase price. At the end of the year the market value of the investments in shares was \$70.8 million, compared with \$50.8 million in 1977.

After deducting the purchase price of new investments, the \$70.8 million comes back to \$60.9 million, although that figure also includes the difference between book and market value of the \$9.7 million.

At December 31, 1978 the

society's assets invested in ordinary shares totalled \$64.58 million, compared with \$65.07 million in the previous year. That change relates to the \$9.7 million invested in equities in the year, so the assets appear to be recorded at their purchase price. At the end of the year the market value of the investments in shares was \$70.8 million, compared with \$50.8 million in 1977.

After deducting the purchase price of new investments, the \$70.8 million comes back to \$60.9 million, although that figure also includes the difference between book and market value of the \$9.7 million.

That is a good result, when set against the society's range of holdings, which cover 79 companies where there is an investment of more than

\$20,000. (Holdings with a market value of less than \$20,000 are not individually listed).

Commenting on equity investment, the annual report says: "Shares purchased amounted to \$9.7 million. Share prices were considered to be favourable for a long term holder and the Reserve Bank index showed a generally increasing trend to finish 11.8 per cent above the level at the end of 1977."

A broad comparison between holdings in 1977 and 1978 gives some indication of the society's investment pattern during the year, subject to the qualifications, and to the cases of companies which had cash or bonus issues last year.

Most of the movements were small, suggesting that the society was increasing marginally its holdings in companies already included in the portfolio. Specified preference shares were related mainly to companies where the society already had ordinary shares.

The influence of large share parcels placed among unlisted shares up in several places, notably New Zealand Steel Ltd. The society held 969,000 shares in the steelmaker in 1977, but the number increased to 1,374,000 by December 31, 1978.

The society's faith in the insurance industry is also noticeable among the changed investments last year. The holding in the National Insurance Co Ltd went from 208,000 shares with a market value of \$521,000 in 1977 to 742,000 shares worth \$1,400,000 on the market a year later.

The higher number of shares incorporates bonus issues made by the company, but an average market value of \$1.74 in 1977 had gone to \$1.00 in December, 1978, an increase of 3.2 per cent.

There was a lift in investment in the automotive industry, particularly New Zealand Motor Corporation where the year-on-year



DOUGLAS SMITH, Chairman of AMP.

Apparatus in expectation of the change of fortunes in the insurance industry, holdings increased in CPM and Wairarapa NZ. Re-insuring, the latter from 100,000 shares to 1,324,000. That movement was in the ordinary shares, and the 1978 report also included 360,000 specified preference shares.

A holding of 100,000 shares in the New Zealand Refining Co Ltd at the end of 1978 is a new investment, being absent from the 1977 report. While there could be other reasons, the investment may be related to the \$300 million expansion of the Marsden Point, which the Government approved last week.

The total portfolio brought into perspective when the first million of new investment is considered. That amount is equivalent to the total portfolio of some other insurance companies.

by Peter V O'Brien

SOMEONE at Tolley Holdings Ltd must be reading this newspaper. Last year was criticised the company for failing to include any reference to its activities in the annual report. The 1977 report had a lot to say about the economy and social matters, but not one word was printed on what the company did.

All is forgiven this year. The 1978 Tolley report comes in two parts. One is a review on the year, including the accounts. It contains the usual views and opinions about the economy and the state of our national life from managing director Brian Tolley, but there is also reference to group performance broken down into the

various divisions.

We learn that Tolley has a cable division, a transformer division, a switchgear division, an agencies division and exports goods. We even find out that "as a company we specialise in the supply of products for the generation, distribution, efficient control and usage of electrical energy".

The second part of the report is a 12 page glossy booklet, complete with coloured photographs, describing how the company manufactures its products, again divided into divisions. The back page lists the products and brand names. There are 125 different products in the list (and some of them are probably broken down into different types of the

same product) and 61 brand names. The products cover most of the alphabet starting at "Air circuit breakers", and concluding with "Wires Winding". Brands also range through the alphabet, from "Aelop (USA)" to "Unitec". The company exports to Australia, Papua New Guinea, New Caledonia, Bougainville, Fiji-South Pacific, Singapore, Hong Kong, Bahrain and Kuwait. It has factories at New Plymouth, and sales offices at Auckland, Hamilton, Palmerston North, Hutt Valley, Wellington, Christchurch, Dunedin and Invercargill. Bulk stores are situated at Hamilton, Hutt Valley and Dunedin, while the head office is in Wellington.

The two documents tell shareholders, and any other interested readers, nearly all there is to know about Tolley Holdings and its business. So we give the directors and executives a big pat to replace the swift kick administered last year.

Tolley has usually produced formal accounts of a good standard. The pattern is

continued this year. The profit and loss account reveals the problems facing the company and its industries in a period when capital investment in industry was low, and public authorities, particularly power boards, also limited capital expenditure. The latter seems to be the results of a reduction in power demand, although that is not referred to in the report.

Group sales in 1978 were \$24,121,040, compared with \$24,180,372 in the previous year. After allowances for price inflation over the year the company probably had an overall reduction in sales volume. Reference in sections of the report to a fall in demand in various divisions supports that view.

But costs, inconsiderately, failed to show the same restraint. Group costs and overheads increased from \$22.8 million to \$22.88 million, depreciation was \$84,300 higher at \$818,190, while interest on fixed debt jumped from \$515,888 in 1977 to \$857,713 last year.

The result was that the

company made a trading loss of \$189,340 before export sales incentive and taxation, compared with a profit of \$250,990 in 1977. Export sales incentive rebate (now paid in cash) brought in \$350,820 compared with \$460,258 to give a pre-tax profit of \$181,280 (\$711,248).

When tax adjustments were made, and allowances written in for minority interests, revaluation of term debt, and profit on sales of assets (a nil amount in 1977), Tolley finished the year with \$841,384, compared with \$826,026 in the previous year.

The figure was \$345,324 before the extraordinary item, a substantial decline from 1977's \$826,026.

It seems remarkable that a company with \$24 million in sales could earn only \$250,990 in 1977 and make a loss in 1978 without the benefit of export incentive rebates. But the electrical industry is notorious for its fluctuations, which stem from reliance on a combination of public and private sector capital spending. Government policies (or lack

thereof) creates a stop-start environment for the industry across its total business.

In spite of the difficult year the balance sheet shows that the company managed to improve its proprietorship ratio marginally from 36 per cent to 37 per cent. The downturn in business seems partly responsible for a cut in debtors and a substantial downturn (about 25 per cent) in amounts owing to creditors, although reorganisation of debt affected that amount. Inventories, on the other hand, increased both in value and volume, as explained in the text, going from \$7.5 million in 1977 to \$8.7 million last year. While increased costs would account for part of that movement, the report explains that "if it had not been for the downturn in economic activity of the industry, inventories would have been held at the previous year's level."

The switch of some current debt to term debt improves the financial structure overall, an improvement which will provide benefits in what looks like another tough year.

## Exchange rates

As at May 3, 1979 \$1NZ is		
India	8.4828	
Italy	873.68	
Malaysia	2.3040	
Netherlands	2.1268	
New Caledonia & Tahiti	81.94	
Norway	5.3238	
Pakistan	10.19	
Papua-New Guinea	on ap-	
plication		
Portugal	50.72	
Singapore	2.2831	
South Africa	8.755	
Spain	88.26	
Sri Lanka	on application	
Sweden	4.5363	
Switzerland	1.7776	
Western Samoa	.7524	

## Key indicators

	Current Period	Previous Year	Per Cent Change
Consumer Price Index all groups base Dec 1974=100	March 79 1156	1978 1050	+10.50
Building Permits issued	Dec 78 8100.4m	Dec 77 804.8m	+10.00
Official Unemployment	Dec 78 7.9%	Dec 77 8.1%	-2.50
Official Unemployment Reserve	Dec 78 8.1%	Dec 77 8.1%	+10.00
General Employment - incl	April 79 81,788	April 78 80,000	+2.20
Non-manual work schemes	5 May 260,12	5 May 218,12	+19.20
NYO New Price Index	2 May 1881	2 May 1818	+3.40
Reserve Bank Share Price Index			+4.78

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## NBR SHAREMARKET SURVEY

NBR / NZUC SHARE PRICE GRAPH (Base 1957 = 100)

Year	Share Price Index (Base 1957 = 100)
1957	310
1958	315
1959	320
1960	325
1961	320
1962	315
1963	310
1964	315
1965	310
1966	315
1967	320
1968	345
1969	340
1970	325
1971	320
1972	325
1973	330
1974	340
1975	355
1976	345
1977	345



## Abortion committee: an ominous precedent?

by Bob Edlin

THE Abortion Supervisory Committee has intruded on the medical profession's internal arrangements to maintain professional standards. And it has become a device for diverting from the courts the critical responsibility for interpreting the law.

The committee was Parliament's response to a continuing and bitter controversy.

To the extent it is a creature of political expediency, its operations serve as a caution to other professions about how their activities one day may be governed in the cause of political peace.

Its chairman, Augusta Wallace, wrote to all certifying consultants on April 9, expressing concern at the lack of uniformity in the application of the legislation.

The phrase "serious danger to mental health" appeared to be interpreted "in the most liberal fashion" in some areas, she observed.

The committee wanted to

emphasise that the words of the statute were "serious danger", and it argued that this could mean "nothing less than substantial risk to life or health".

The committee wanted to draw this to consultants' attention "so that proper weight may be given to words of the statute which authorise a lawful abortion".

Other doctors received letters which said they appeared to have been too liberal in their work. If they wanted to be re-appointed, letters of explanation were required by the committee by April 23.

Some of the doctors are known to have had their terms expire on April 1. Thus it became evident that letters of re-appointment had not yet been sent out to certifying consultants whose terms had expired.

Doctors from whom explanations were sought should have been approached several weeks previously for re-appointments to be



THE LAW

completed by April 1. It became evident too, that some doctors did have letters of re-appointment. But neither the public nor the medical profession was informed who had these letters, and who did not.

At least two consultants stopped seeing cases on the grounds their warrants had expired and they were

awaiting re-appointment. Another was continuing to give certificates on the assumption the warrants had not expired.

But more seriously, the committee's handling of the re-appointments resulted in a state of realignments in Wellington because the doctors were affronted at their integrity being questioned.

To the inconvenience of many women, a health service in that region provided for by statute collapsed.

So while the committee was trying to ensure the law was observed uniformly, it failed to ensure the provision of a uniform service.

But the situation raised an esoteric question: how can anyone tell if the situation in Wellington is liberal or conservative? The committee was acting on the assumption that where there is a high number of cases with a high approval rate, a consultant must be too liberal.

But under the law, no single doctor can be responsible for a high rate of approvals. The Act was designed to

make it difficult for any one doctor to make decisions that would result in an abortion.

Thus the GP refers what he considers to be "genuine" cases to the consultant. But the consultant does not do the abortion. That is the job of the surgeon, who must also confirm that the case is an appropriate one for an abortion.

Cases that would be rejected should be eliminated either by the individual woman changing her mind, by her GP, or by an organisation like SRS.

At the next stage, a consultant who acts promptly is more likely to attract patients from GPs than one who acts slowly. And once a GP has found a consultant's work satisfactory, the GP is likely to use that consultant consistently.

On the other hand, if "conservative" doctors are not approving cases, GPs presumably stop sending them patients.

But certifying consultants weren't the only recipients of the committee's letters.

On April 5, Wallace wrote to Wellington Hospital Board superintendent-in-chief T. L. Tucker.

"It appears that a far greater number of terminations have been carried out in your area than had been anticipated over the 12-month period," she said.

The committee had "clear information" that women were travelling from elsewhere in New Zealand to Wellington after having been refused terminations in their own centres.

The letter reminded the superintendent that "abortion as such is of course unlawful and always has been".

But the Crimes Amendment Act set forth the criteria under which a termination might be lawful. "I am referring particularly in cases of pregnancy of not more than 24 weeks gestation whose termination may be lawful if it is believed by the doctors that the continuation of the pregnancy would result in serious danger (and being danger normally attendant on childbirth) to the life or to the physical or mental health of the patient," Wallace explained.

The committee sought reassurance that sufficient weight was being given to the "serious danger" aspect by doctors determining the cases in the superintendent's area.

The committee appears unacquainted or ignorant about how the hospital system works, and is under the impression the superintendent has some influence over the clinical decisions of senior hospital staff.

A superintendent is an administrative officer. Hospital conventions would need to be radically overhauled before he could design to order a surgeon not to perform an operation.

The committee also seems unfamiliar with the law it is administering. The legislation expressly states that a consultant is not allowed to discuss a case with anyone. He is not allowed to ask for another opinion without the permission of his patient.

So how could the superintendent interfere in any case when he is not allowed to know the clinical details?

The consultants are expected to consider cases individually and to make their own decisions. They are the ones who individually must interpret the law. By inviting an outsider to influence the decision, Wallace goes beyond the law.

The committee's reasoning also bears examination.

Wallace says that after 12 months, more abortions are being performed in Wellington than anywhere else. That is true.

The committee also failed to see an uneven interpretation of the law, and says it has a statutory duty to see that the law is uniformly applied. That is also true.

But the facts made public do not make clear an interpreting the law incorrectly.

The extent to which Wellington figures are high because of different interpretations of the law is debatable. For example, is what extent is this due to an absence of adequate facilities elsewhere? Or to doctors' there an absence of surgery elsewhere? And so on.

And most important, if anyone has doubts about Wellington doctors, it is at Wallace's job to interpret the law. She is there only to administer it.

The certifying consultants are expected to interpret the law, and the statute has certain words to guide them. But what do these words mean?

Ultimately, that is a question for the courts to decide. Interpretation of the law has been the prerogative of the courts for hundreds of years.

The courts turn to precedents in their determinations and decide these issues from case to case.

In Australia and New Zealand, there is ample case law for interpreting the phrase "serious danger to mental health".

These interpretations presumably extend to the new law, because when it was passed both Justice Minister Thompson and Attorney General Wilkie emphasised that the essence of the law had not been changed.

Thus the Crimes Amendment Act words also meaning had been decided in case law as interpreted by Appeal Court judges in the Woolnough case.

When the police raided the Auckland abortion clinic, Auckland, they seized all the records and eventually prosecuted what the committee considered the most black cases. These were sent to the Supreme Court and Woolnough was acquitted. The Crown appealed, but the acquittal stood.

So if Wallace wants to know if she is right about the Wellington doctors, she must mean to guide the decisions the most shaky cases from the Antio clinic.

Or she could turn to the practice in Victoria and New South Wales, which is based on case law identical word for word with the new statute in New Zealand.

If she isn't using case law as the basis of her administrative thinking, her decisions are presumably based on something more vague called "policy".

If that is so, a new type of law apparently has been created. And a dubious type of law it is, because "policy" can change from day to day depending on the momentary pressures of the moment.

Businesses may have an interest in the abortion law. They should be concerned about the precedent of "law" decided in this fashion.

Today the issue is abortion. Tomorrow, it could be the law, or the labour laws, or laws, being subjected to interpretations based on ever-changing "policy".

## Inept power planning chokes energy system

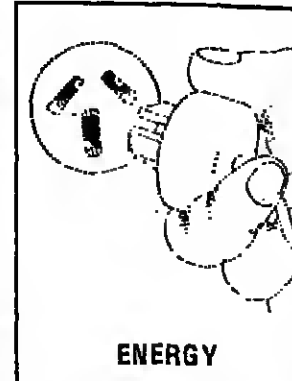
Energy Reporter

NEW ZEALAND is footing a half-billion dollar bill for inept power planning in the 1980s. It's the bill for the Maui development, which at least Christmas, stood at \$390 million for the platform, and another \$115 million for the submarine lines and related projects.

It would be hard to blame the mining companies for not co-opting the gas market predicted by the power planners, who dreamt of massive thermal power stations for the future.

Indeed, it was the oilmen who produced an impressive tribute to technology and ingenuity, above one of the greatest gas and condensate fields in the world. The bureaucrats have, however, created a situation where vital supplies of oil condensate will be "locked into" the Maui field with no thirty-way of getting it out at the very time we need it.

The same situation applies to the availability of LPG where fleet operators and industrialists can no longer count on 400,000 tonnes each year in the immediate future.



ENERGY

In short, the promised gas market for Maui has not materialised, and the Government is faced with the prospect of "flaring off" the gas in order to make the development pay.

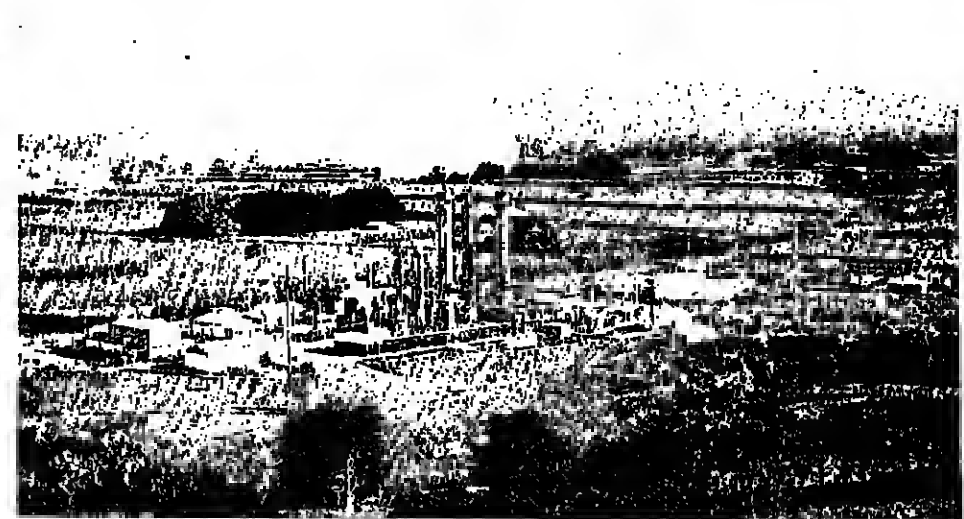
Oilmen say the blame lies squarely with the power planners who, they claim, lacked the foresight to take account of any downturn in forecast electricity consumption. Even now, they say, the powermen will not listen to the critics of further electricity developments. There have been recent reports that the Treasury has moved to bring a halt to the

Maui scheme in the face of promised electricity surpluses of some 25 per cent in the mid 1980s.

New Zealand, at this moment could be poised to abrogate a large part of the OPEC price and supply crisis. Accurate forecasts would have enabled the oilmen to include a gas recycling system in the Maui A project. This would have meant the unwanted gas could have been injected back into the Maui field, and so not affect the production of sorely needed oil condensate and LPG.

In the event, the oilmen had to wait until just a few years ago to be told of lower demand expectations, and they were able to include a recycling system in the (now shelved) Maui B development.

Things are changing now... power planning at the expense of adequate planning for the other resources will probably not lead to another Maui. Energy Secretary Bill Duncan says power, coal and gas plans will shortly start to be tabled in Parliament to give a better



PROMISED GAS MARKET... Government faced with prospect of "flaring off" gas.

appreciation of the energy mix.

It has been an expensive lesson on how oil and water do not mix though... 15 years ago, anyone who would have suggested the web being spun by the powermen would sooner or later choke the whole energy system, including the

motorist, would have been made a laughing stock.

But at the very time, the mining companies were tying up the Maui deal, the powermen were sending propositions to the Government on hydro development for Cromwell. One oilman personally involved with Maui from the

start, told NBR that this was "in direct conflict" with the Maui agreement.

At the end of this month everyone who is in anyone in the energy scene will watch the Maui riches go through the Oatland shore station from the platform 34 kilometres out to sea. It'll be a bit like starting a forest fire to cook an egg.

## Price rise "torrents" trickle out floodgates

THE torrent of price rises supposedly stacked behind the dam of Government control has yet to flow now the flood gates are open.

The Department of Trade and Industry's head office has been notified of only three price rises since controls ended last month, though district offices are also expected to have received several.

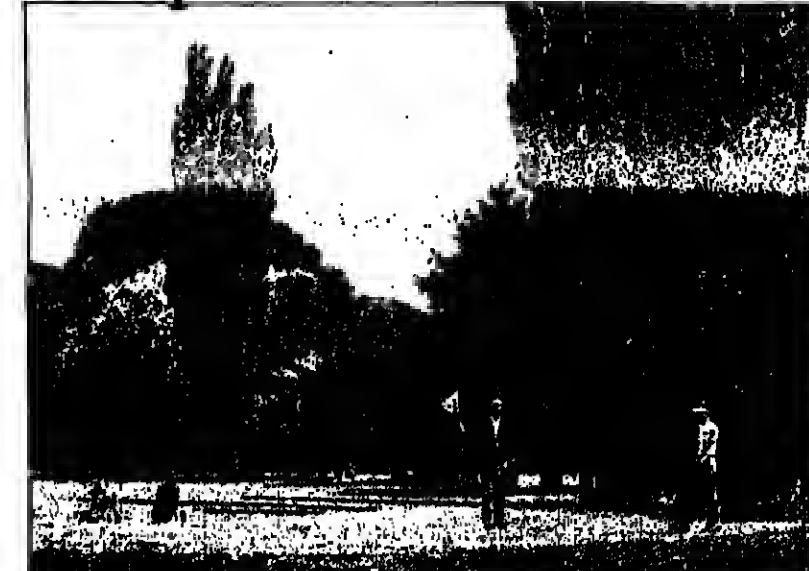
Most businesses are still constrained by the six-month rule and the backlog may not break free until September or October.

After five years of strict control most manufacturers, distributors and service industries can now put prices up and down as often as they please.

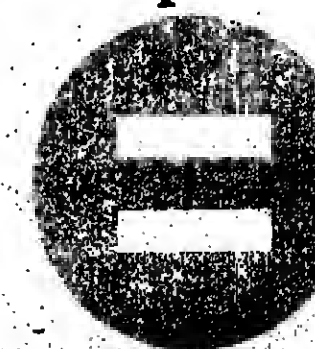
A handful, around three per cent, are still obliged to notify Trade and Industry of price changes. This group covers 60 per cent by value of manufacturing output making the Department confident it can still monitor prices.

Category A items, where there is limited competition or Government intervention, still need approval for price rises.

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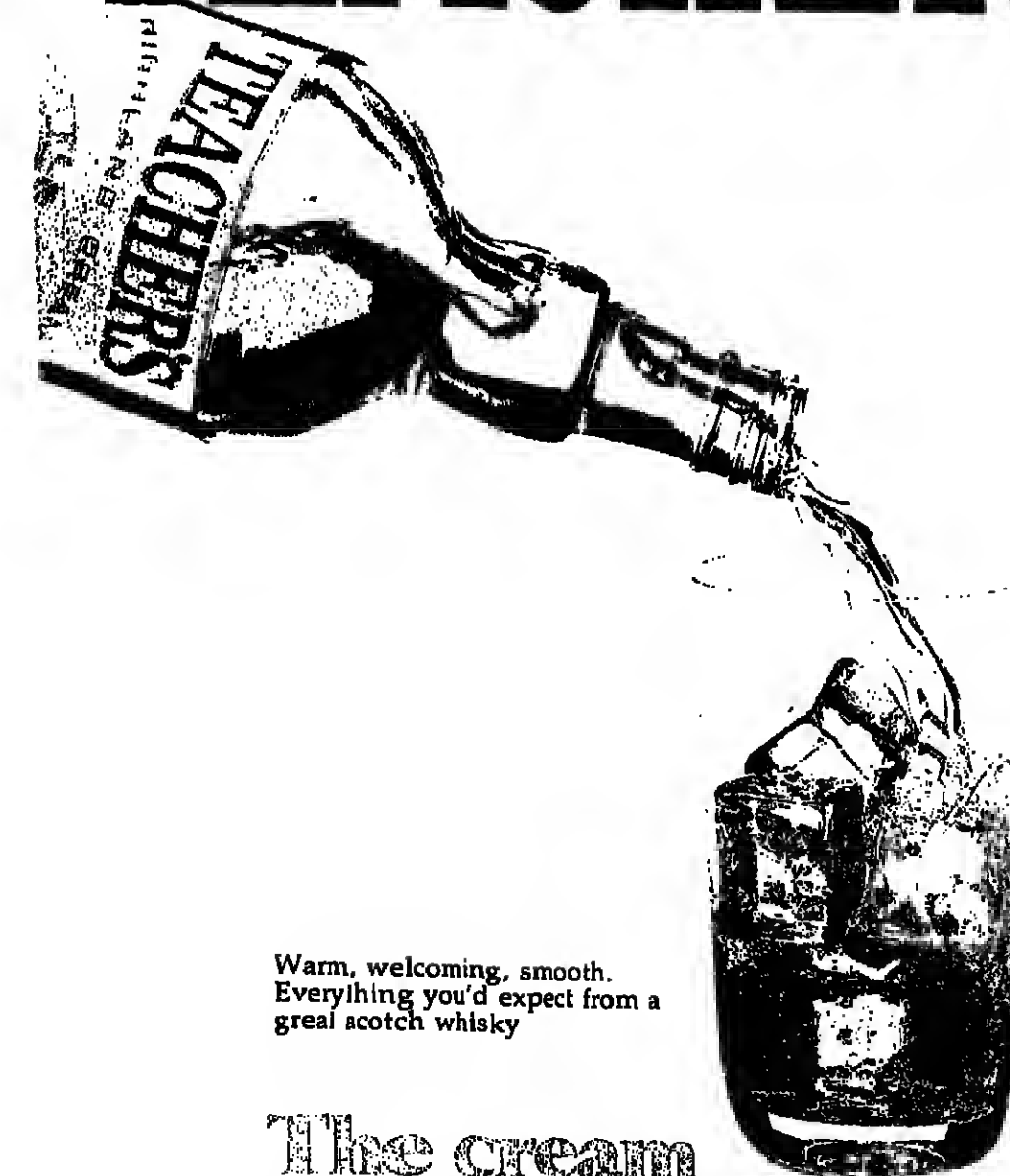


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# Knox steps out from behind Skinner's shadow to tow FOL line

## Pulp mill project faces 32 agency slalom course

by Colin James

JIM Knox was blooded in 1951, on the waterfront. He still carries the badge and the scar of New Zealand's roughest industrial battle.

The badge is the certificate of 151 days of solidarity in the face of the Holland Government's determination to smash the troublesome Jock Barnes and the waterside union he led.

With Jim Knox as a two-term president of the Federation of Labour? Yes, if he has things his way.

"In '59," he told NBR, "I would hope to be in office for 10 years."

Provided, of course, as he pointed out, he gets re-elected at the end of his first five-year term.

The scar was left by the painful lesson learnt: the utility of fighting the Government.

Going through '51 established unassailable credentials as a committed unionist for the man who took over the FOL presidency, last week.

Knox did not just go along

with the mob in the waterfront disputes. He went to the waterfront in the first place because he wanted a part in the vanguard of the trade union movement.

During the confrontation he went on a speakers' panel, drumming up support for the cause. He was also a member of the day-to-day co-ordinating committee.

His activity put him on a blacklist, not only of the

possible constitutional channel to try and overcome the problem.

But fishes of the impetuous young man of 1951 still show under tenon.

When he is crossed or fears he is being outmanoeuvred, he can at times suddenly explode in an angry outburst. The Prime Minister had a taste of it during the Lyttelton tunnel dispute. Cabinet ministers, employers, fellow unionists have all felt the lash.

Judicious anger has its place in negotiations. In Knox it is probably more instinctive than judicious — born of conviction of the rightness of his cause or of irritation with what he feels to be destructive criticism.

Knox is an uncomplicated pursuer of simple objectives. He talks the language of the working man, of the rights and freedoms of the working class and of the need for a decent standard of living.

He is no high-flown theorist or devious tactician.

He carries out FOL conference, council and executive decisions with an almost

reverential faithfulness to the spirit and the letter. As president, he will do the same, relying on the executive more than Sir Tom Skinner.

"Sir Tom plays it very close to his chest," Knox said in an interview before the conference. "I have had to remind him that he should let me know what the situation is."

"Of course, Tom works like a politician. He was a politician himself once. And I think that working like a politician hasn't hurt the FOL."

"I would tend to have wider communication with our affiliates, bringing them more into the decisions, making sure that the trades councils fully participate in decisions."

Already the national council is having four meetings a year and not two. "So I won't be acting, as Sir Tom has been accused of acting, as an individual."

"After all, Jim Knox is not the FOL. And the executive is not the FOL. We're paid to do a job by affiliated unions and

they're entitled to know more of what's going on by way of the president coming out and giving leadership in them."

Knox claims some credit for implementing conference and executive decisions to upgrade the national office (from cramped trades hall quarters to a comfortable new building), his staff (from one typist in five) and his research services (from lone dogbody

quite a long time. We're trying now to negotiate a contract to get the crane finished so that it is in the workshop. But neither I nor the FOL executive will back it and allow the union to be recognised. That's one thing the contractors must recognise, that the better minkers are still viable

DON'T look for radical changes in the Federation of Labour with the election of Jim Knox as president.

"When any top person takes over, whether it is in a union or in business, there are always some radical changes," he said. "But I don't consider there's any need for any radical changes."

"The main change, I think, is to have the president domiciled in Wellington where there's more access to him than what there has been."

to a legal officer, an economist and an assistant researcher.

"I'm very pleased and proud to say that it's been done since I've been secretary. I was instructed by the conference to do these things and I've done them."

Some people in the movement think these services should be expanded further. Knox thinks that for the time being "we've reached a peak in backup services."

Asked if he intended to use the backup to develop FOL policies on such things as industrial relations legislation and longer-term awards and to take more of a lead in developing movement-wide policy, Knox returned to his theme of wider communication with affiliates, thus indicating that such a lead would come less from him personally than from a collective leadership.

NBR: Do you want to see the FOL take a more active part in settling disputes?

KNOX: I'm concerned about some of the disputes that we become involved in — that we get them after the dispute has been going for a long period. We have to try and do something about it. It becomes very difficult when it's been going so long. People get apathetic about the dispute.

We've just been handed the Mangere bridge dispute, for instance. Because it's been going so long, the employers and the Government on the other side, they're just taking their time. In other words, it could become a political game for the Government. The contractor crane is another one that's been going

indefinitely, although they are deregistered.

The employers today, unfortunately, tend to lean on the Government for support. The Employers' Federation is leaning on the Government to bring in legislation about wage increases, about industrial disputes and the Government has shown that it is prepared to legislate to take away allowances that have been agreed to between workers and employers and legislate on disputes, not only in the public service sector but in the private sector.

In making agreements with the unions, the employers know full well that they are going back to the Government and call on the Government to implement legislation. They make these agreements knowing full well they are going to get their way.

The Government is worried about what they call Tom's unionistic control, not so much of the presidency but of the secretary's position. I feel the next several months after the conference may be a tough one for the trade union movement. It appears that the Government is going to bring in legislation to bring down legislation in the time to take away certain rights of unions that they have had for many years.

The employers are the ones who must be concerned because there would be a confrontation with the Government if industrial takes place. It would be with the employers.

The economic situation of today has brought about a

problem because of large numbers of unemployed, less take-home pay for those who are lucky enough to have a job, affecting family life and the right of education for the kids, and so on.

I feel that the workers are getting a bit angry and I think they will look to the Federation of Labour as a responsible organisation on their behalf to see that they are fully protected regarding the right to work for those who want to work, the right to a better standard of living, the right to have free education, the right to voice opinions in a democratic manner and the right of the trade union movement to act freely.

NBR: Do you intend to strengthen the links with the Labour Party? Do you think you will have a closer relationship than Skinner had?

KNOX: I think so. I think Sir Tom would tend to stand off a bit because he didn't want any political interference in decision-making in the Federation of Labour. I don't believe that this is what the Labour Party would want to do because they know me too well, that I wouldn't tolerate it.

Yet again, I believe because of the economic situation, the political situation we are confronted with, that we must work with some political party and I feel that should be the Labour Party. We feel that we get a better deal, not everything we want, but at least a better deal.

Knox also made it clear he wanted an "open-door" relationship with the present Government.

I've raised this (the open-door communication) with the Prime Minister and the Minister of Labour recently and the Minister of Labour said, "No problem."

NBR: Do you feel that you may be at a disadvantage if you don't have the knowledge of politicians, Sir Tom had as a former politician himself.

KNOX: No, I don't think so. I had an opportunity years ago to stand for a seat and I turned that down. I think that what will stand by me in these discussions with Government is having the knowledge gained from working with Skinner.

Jim Knox is known as a person who's honest. And this has always stood me in good stead. My father always

I've got a greater understanding now of how politicians' minds work and how they look at it from the political side, knowing full well you can't divorce politics from trade unionism or trade unionism from politics. Listening to Sir Tom and being with him in negotiations with Government — and sometimes without Tom Skinner — I've been able to adjust myself to this way of thinking.

NBR: Will you be able to work with Ken Douglas if he becomes secretary?

KNOX: We've had our debates, Ken and I, across this table. He's always been prepared to carry out Federation of Labour policy. Bill Andersen's the same. These SUP (Socialist Unity Party) leaders in the trade union movement, there's not many of them, they're always prepared to work inside the policy of the Federation of Labour.

I would work with Ken Douglas, as long as I do not have Ken Douglas — or anyone else who is secretary — who is going to introduce politics into the Federation of Labour.

Knox described himself as "socialist." "I believe in socialism based on the Labour Party's political ideologies. I joined the Labour Party at 14 years of age." He is still a member.

NBR: People say you're inclined to never reach, that you're inclined to get a hit mug.

KNOX: Well, that's my makeup. I have no time for people who annoy me by way of silly things they do or silly statements they make. It's not logic, some of the things they say and the way they go about their disputes and matters affecting the trade union movement.

I don't stand fools very well. I'll always over react if the criticism is unwarranted. If it's destructive criticism, constructive criticism, I'll accept it.

I can get angry. I don't retreat from people. I believe that once I sleep backward then I'm on the run, and they can pressurise me to make decisions which I don't really believe in. No way will I think this in happen. No way, I think they respect me for this, too.

Jim Knox is known as a person who's honest. And this has always stood me in good stead. My father always



JIM KNOX... follows spirit and letter rulings educated me to be honest with the workers.

I am very pleased that I can go anywhere and meet workers in New Zealand — and Australia — and be recognised as a trade unionist. And that, I think, is my principle. I'm a trade unionist. I will never get away from that.

Businessmen appreciate the extent of influence of the

## Pulp mill project faces 32 agency slalom course

by Rae Mazengarb

PLANS for a joint deal by a Nelson-based company for a mechanical pulp mill and integrated sawmill costing \$80 million seem bound to fall foul of red tape.

Deafening optimistic noises made by CSR Limited, the Australian international marketing company and its Nelson partner, H. Balgert and Sons Limited, a grand total of 32 Government and local authorities will be involved.

The smooth passage of this enterprise will be keenly watched by other New Zealand and international industrialists who are only too aware of the potential for further schemes involving exotic plantations which will have to be processed in the near future.

Businessmen appreciate the extent of influence of the

hotch-potch of regulatory authorities on similar schemes which have foundered in the past (see NBR January 24).

Significant sums of overseas investment are at stake in future forestry development.

A Reserve Bank spokesman suggested that in about 10 years the number of trees in New Zealand requiring processing would be "quite alarming". In view of the present ability of local industry to undertake the processing unaided.

He suggested there could be a need for a project of the size of the proposed Nelson deal every two to three years to take account of the massive growth.

The companies so far have dealt mainly with members of the Overseas Investment Commission — which considered all proposals concerning overseas investment in New Zealand in accordance

with Government policy and the Exchange Control Regulations.

The Examiner of Commercial Practices has also been involved.

When the news media questioned spokesmen for CSR and Balgert about problems with bureaucrats, they therefore were able to say they had a "good run" in these negotiations.

But the feasibility stage now reached is most critical. Before the project goes ahead, CSR will carry out a study into the proposal. At a cost of more than \$1 million — everyone with an interest will be told of the attractiveness of the project from both the companies' and a national resources point of view.

It is at this stage that the companies will have to front up to 32 local bodies, Government departments and statutory authorities.

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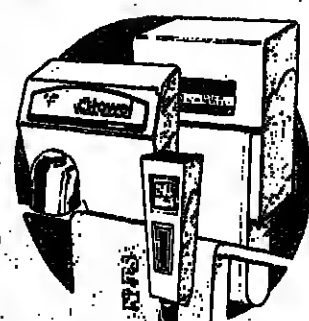
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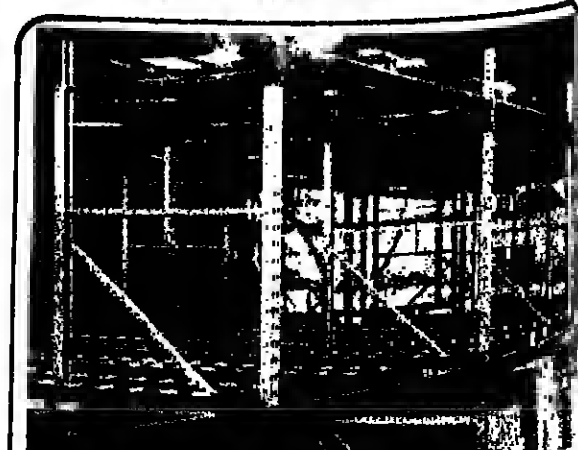
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## Pay day squabbling

THIS letter was prompted by the wage squabbling of some of the highest paid in the land, namely, those manning the ferries. Before reading further, readers should decide what disposable income a wage "peasant", middle-aged, married and with a freehold house, needs to live at a reasonable standard — \$3000, \$3500, \$4000 or \$4500 — as it is with respect to the "peasants" that relativities must be set.

In the following calculations, the latest tax tables were used, and no allowance is made for insurance premiums or superannuation contributions; and for brevity only three cases are examined — men on

wages of \$6000, \$12,000 and \$24,000. Further, relativities have been rounded to three significant figures. (Table I).

Quite obviously the advantages of high wages are not so great if we look at disposable income instead of at gross wages.

But if we look at income surplus to the basic requirement that you settled for in the first paragraph, the position is different again. (Table II)

I pick that most of you plumped for \$4000 as adequate for the peasants (but not for yourselves). In that case the man on \$24,000 has \$12 to spend, over and above the cost of living at an acceptable standard, for every \$1 that the man on \$6000 has. In short, if we take \$6000 as the basic



LETTERS

wage, a gross wage four times as great gives a post-tax income 2.89 times as great, and a "surplus" 12 times as great.

These figures go a long way towards explaining the frequent complaints that the "workers" bear the brunt of inflation, and this risk gets further ahead under inflation. Assume, for example, that the cost of living suddenly rises by 12½ per cent from \$4000 to \$4500. The man on a gross wage of \$6000 sees his "surplus" reduced from \$831 to \$331 (-60 per cent), and the man on \$24,000 sees his reduced from \$9867 to \$9467 (-5 per cent). Comparing the new surplus with the new price levels, the lower paid has had the purchasing power of his surplus reduced by 64 per cent, and the higher paid by 16 per cent.

On the other hand, with respect to their surplus, the man on four times as great a wage now has \$28 to spare for every \$1 that the man on the low wage has, whereas previously he had only \$12. Although the purchasing power of his surplus has fallen by 16 per cent, his economic superiority to the peasant, in the new scale of relativities, is 233 per cent of what it was, or 133 per cent greater than it was.

C. T. Reid  
Papamotiro

## Allowance for fact interpretation

MY attention has been drawn belatedly to the Williams profile (April 11, NBR).

I understand that Mr Williams is a professional advocate and thus allowances must be made for his innovative abilities where the interpretation of "facts" is concerned. There are some blatant and glib non facts in this article which must be corrected.

Mr Williams refers to the "British system" and talks about "clear proof" that reducing the profit motive in narcotic dealing, encouraging users to register is part of an

"overwhelming and compelling argument". It is a tribute to the British that quite remarkably confusion and misunderstanding has been created about this system. So successful has the myth been that I have seen American efforts to claim the fathering of it. This is nonsense. The fact is that the "British system" is a failure.

Mr Williams suggests "the declassification of marijuana" as "absolutely compelling". Professional pharmacologists as opposed to professional advocates consider Delta 9 THC (the main psychoactive substance in pot) too toxic to allow any loosening of control.

Most people find it more enjoyable and much better for after dinner discussions not to have to be hampered by fact in these areas. But if anyone is interested in the actual narcotics situation in Britain or wants facts on Delta 9 THC please write to us PO Box 1612, Wellington.

Ray Johnston  
National Society on Alcoholism and Drug Dependence.

## Environment Commission takes blast

THE article in NBR April 18, condemning the planned ammonia-urea plant as, "a disaster on all fronts" is very misleading.

As a practical farmer I know that nitrogen is an essential plant food. So does the gardener who applies a little urea to produce good cabbages or green up his lawn. The farmer that studies United Kingdom or European farming is struck by their high production considering the

climate and the big ammonia nitrogenous fertiliser applied here, because it is imported and because of the cost of applying it. We put so much dressing of phosphate to our clovers so as to produce nitrogen but in the winter when it is dry, clovers take very little and nitrogen is short supply and grass production is restricted.

Without nitrogen we are gone about as far as we can go in increasing living production from our pastures. We could increase production by yarding our stock, growing crops and carrying them on feedlots but this would be costly in labour and machinery to be essential.

Given reasonably good locally produced nitrogen could apply it to our pastures and greatly increase stock carrying capacity. It could be as big a stimulus to increased production as the introduction of urea phosphates in the 1920s.

To suggest that 100,000 tons of urea per hectare, with occasionally would cause the run off of "nitrate" would be "potentially hazardous" ground water is hardly new.

Your writer suggests nitrogen fertiliser will replace phosphates but that is not likely as both are essential plant foods.

"Probably the Commission" the Environment will pass as they always do at a pace and development. If it is operated in the last 20 years New Zealand is undoubtedly still a bush.

The only criticism of a scheme I have would be that private enterprise should be given the opportunity to do the job.

10 Campbell  
Falls

## Trading banks reveal competitive atmosphere

by John Draper

TRADING banks are revealing in a competitive atmosphere and urging the rest of private enterprise to take the plunge.

For the last three years the banks have been able to vie with each other and other financial houses for business offering competitive interest rates to both borrowers and depositors as well as overseas exchange transactions.

Stock agents and solicitors with money to lend have certainly felt the competitive wind.

Now the banks are eager to go further and compete on cheque account charges.

Having been overlooked in the lifting of price controls, the banks are now urging the Government to rectify the omission. In the meantime the Reserve Bank, in its role as a pricing authority, is deliberating on an application to lift charges.

Inflation has hit profits, or at least made the ratio of assets to deposits look unhealthy to bankers' eyes. The answer, they say, is to increase profits.

The problem is cash. The banks do not like it. Idle money needs protection from those who would rather help themselves and it is not earning interest either. A double cost.

New Zealand society is too out of step with the credit card economies of the United States, Australia

and Canada for the banking.

Two-thirds of us still live on being paid in cash more than direct credits to our United States only one per cent of workers actually get paid in pay packets with cash.

Cheques for 50 cents or even \$5 irritate when cash is in clear each week. Ideally, the bank must be in a position where most money is credited to a bank account and the money is counted with a credit card.

That way cheque costs, which are now a percentage of the bank's cost, can be reduced.

But more realistically, short-term at least, the Reserve Bank is likely to approve an increase in charges more in line with user pay principle than have asked for.

Customers, at least, getting a free cheque may in future be charged account balances drawn on certain figure, say 10 per cent.

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## Handful of NZ exporters bother to meet 75,000 Japanese buyers

Tokyo Correspondent

THE recent Foodex Fair in Tokyo saw more than 75,000 buyers from Japan's booming hotel and restaurant industry studying and sampling the goods of potential exporters.

New Zealand, along with 11 other countries, participated with a comparatively small stand. A disappointed Trade Commissioner John Belgrave of the New Zealand Embassy in Tokyo reported that more than 200 firms had been canvassed, yet only five finally participated: Good old faithfuls like the meat industry, the Dairy Board and the Kiwifruit Board, as well as New Zealand Breweries and Leonard Breweries.

While many Japanese agents were eager, they were often unable to encourage the New Zealand manufacturers of the goods of the exhibition — a prerequisite to participation said Eric Cammell, Marketing Manager of the Auckland Farmers' Freezing Co.

"Most New Zealanders don't recognise the potential as far as Japan is concerned. The hotel and restaurant industry is very big and there's a need to meet and deal with the people. I can't answer why some New Zealand companies didn't participate; they all had

the opportunity apparently. It's significant that the United States and other countries have seen the potential of this exhibition and New Zealand hasn't. The Americans are widely represented, they have good displays and they've recognised the tremendous scope of this. We must get in to show and sell."

For RH Troughton, Managing Director of the Stevens Group of companies, Foodex also offered great possibilities for food exporters. "There are 497,000 restaurants in Japan — that's one for every six New Zealanders. The market is greater than anywhere else and we've had a terrific response. But I think New Zealand is well represented — we have exhibitors from Auckland, Hastings, Wellington, Christchurch and Invercargill — the whole of the meat industry is represented here by the Meat Export Council. After all, Australia isn't here at all!"

While the Danes, British, Dutch, Swedes and Swiss look advantage of Japan's expanding market for exported biscuits, New Zealand's enormous and excellent range wasn't on show. Similarly the exhibition was ideally suited to frozen foods in caterers' quantities, but in this instance

it was the Japanese agent who was cautious: "We recommended to Watties that they didn't participate," said Mr Sadakichi Toyozumi, General Manager of Wattie Japan Ltd. "Wattie products are already known, and we'd rather spend the money on point-of-sale promotion."

Watties have never participated, and neither had the two breweries until this year. Both of them reported that the exhibition was a necessary introduction to thousands of potential bulk buyers — the quantities of name cards and leaflets distributed during the week-long exhibition amply support their assertion.

In the more intangible area of goodwill, the comparatively low-budget and uninspired New Zealand exhibit nevertheless held its own. The breweries were more than generous with their samples to the locals ("It's a little sweeter than ours but it's good") and every time the meat industry's specially hired Japanese chef heated the pan, the smell of frying lamb or steak was a far more effective attention-getter than the Dixieland band the Dutch had brought out from Amsterdam.

Most Japanese had no difficulty identifying (and preferring) the beef, and while generous mouslinelabs were freely distributed, the nearby Danish stand was chugging for rather ordinary hamburgers. Such visual interest more than made up for the static display of posters and pictures of the out-of-season kiwifruit.

How the New Zealand firms were approached, and how much information they were given on the value of the exercise is uncertain, but it is a time when the country is lobbying for removal of trade obstacles to the Japanese market. Its credibility isn't enhanced by such a poor representation of its potential food exports. If, as one official privately put it, New Zealand exporters are generally afraid to think big, then the country is certain to provide underserving reinforcement to the common Japanese belief that disgruntled trading partners aren't taking enough initiatives.

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(A) Beechcraft C-23 Sundowner ZK-DVS 1974, \$40,000  
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## Make your Bank of New Zealand Manager your money man

Every business needs an experienced money man. Someone who can make your money work harder while you get on with the business of making more of it. Many smaller and medium sized businesses could benefit from having a closer relationship with their Banker. That's the sort of co-operation we encourage at the Bank of New Zealand. Get together with your Bank of New Zealand Manager. As your money man he can tell you how the Bank of New Zealand can make your money work harder with the security you need. And no fuss. Quick, simple and a minimum of paperwork.

**Term deposits - in small or large amounts - will earn money for you**

Don't let surplus cash lie idle. Regardless of the amount, large or small, put it on a term deposit with us. You'll find our rates very competitive. Your money earns top interest.

**TCD's (Transferable Certificates of Deposit)**

If you need greater flexibility in your short term investment strategy TCD's may be the answer. If you need to, you can release cash before the term is due, because there is a secondary market for TCD's. Your Bank of New Zealand Manager can explain TCD's fully to you. Ask him for the facts.

**Practical help**

Your Bank of New Zealand Manager, and his staff, are ready, willing and able to help you make your money work harder. Contact him soon. He'll show you how a regular review of your investments is well worthwhile. Your Bank of New Zealand Manager is as close as your telephone. He's your money man.



**Bank of New Zealand**  
Here when you need us — Nationwide



